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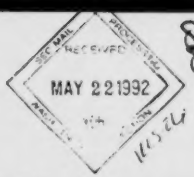
FORM 10-Q
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549




(X) QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

C92-2238

For the quarterly period ended March 31, 1992

OR

( ) TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission file number 0-17628

BELLBROOK BANCORP, INC.

| | |
|---|---|
| Ohio Corporation | 31-1226771 |
| State Route 725 at Lakeman Drive, Bellbrook, Ohio | 45305 |
| Telephone Number | (513) 848-6861 |

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days. YES X NO ___

Common stock, stated value $1.00 per share: 71,913 shares outstanding as of May 1, 1992

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BELLBROOK BANCORP, INC.

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BELLBROOK BANCORP, INC. AND SUBSIDIARY

CONDENSED CONSOLIDATED BALANCE SHEET

| ASSETS | March 31 1992 (Unaudited) | December 31 1991 (Audited) |
|---|---|---|
| Cash and due from banks | 1 372 293 | 1 774 142 |
| Interest bearing deposits in banks | 699 000 | 199 000 |
| Federal funds sold | 402 000 | 1 150 000 |
| Investment securities, net of allowance for losses, estimated market value of $7,732,467 and $6,909,586 at March 31, 1992 and December 31, 1991, respectively | 7 583 372 | 6 650 105 |
| Loans, net of allowance for loan losses | 9 199 965 | 8 921 001 |
| Accrued interest receivable | 203 285 | 177 303 |
| Bank premises and equipment | 295 456 | 302 903 |
| Other assets | 44 358 | 25 019 |
| Total assets | 19 799 729 | 19 199 473 |

LIABILITIES AND STOCKHOLDERS' EQUITY

| | | |
|---|---|---|
| **LIABILITIES** | | |
| Deposits | 18 267 333 | 17 721 900 |
| Accrued interest payable | 61 066 | 61 089 |
| Current and deferred taxes payable | 45 954 | 31 387 |
| Other liabilities | 28 351 | 25 358 |
| Total liabilities | 18 402 704 | 17 839 734 |
| **STOCKHOLDERS' EQUITY** | | |
| Common stock, stated value $1, 400,000 shares authorized, 71,913 shares outstanding | 71 913 | 71 913 |
| Capital surplus | 1 011 754 | 1 011 754 |
| Retained earnings | 313 358 | 276 072 |
| Total stockholders' equity | 1 397 025 | 1 359 739 |
| Total liabilities and stockholders' equity | 19 799 729 | 19 199 473 |

✓ See notes to condensed consolidated financial statements.

BELLBROOK BANCORP, INC. AND SUBSIDIARY

CONDENSED CONSOLIDATED STATEMENT OF INCOME
(Unaudited)

| | Quarter Ended March 31 | |
|---|---|---|
| | 1992 | 1991 |
| **INTEREST INCOME** | | |
| Interest on loans | 238 909 | 254 071 |
| Investment securities | 152 788 | 129 638 |
| Total interest income | 391 697 | 383 709 |
| **INTEREST EXPENSE** | | |
| Interest on deposits | 182 645 | 196 937 |
| Net interest income | 209 052 | 184 772 |
| **PROVISION FOR LOAN LOSSES** | - | 4 500 |
| Net interest income after provision for loan losses | 209 052 | 180 272 |
| **OTHER INCOME** | | |
| Service fees and charges | 63 877 | 49 324 |
| **OTHER EXPENSES** | | |
| Operating expenses | 221 643 | 202 722 |
| **INCOME BEFORE TAXES** | 51 286 | 26 874 |
| Provision for federal income taxes | 14 000 | 5 000 |
| **NET INCOME** | 37 286 | 21 874 |
| **NET INCOME PER SHARE** | $0.52 | $0.30 |
| **EQUIVALENT COMMON SHARES OUTSTANDING** | 71 913 | 71 913 |

See notes to condensed consolidated financial statements.

BELLBROOK BANCORP, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited)

| | Quarter Ended March 31 1992 | 1991 |
|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| Net income | 37 286 | 21 874 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Provision for loan losses | - | 4 500 |
| Depreciation and amortization | 10 222 | 10 817 |
| Increase in accrued interest receivable and other assets | ( 16 898) | ( 27 701) |
| Increase in accrued interest payable and other liabilities | 17 537 | 7 954 |
| Net cash provided by operating activities | 18 147 | 17 444 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| Net increase in loans | ( 278 964) | ( 30 801) |
| Maturity of investment securities | 435 000 | 500 000 |
| Purchases of investment securities | (1 368 267) | ( 314 847) |
| Purchase of premises and equipment | ( 1 198) | ( 1 599) |
| Net cash used in investing activities | (1 213 429) | 152 753 |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| Net increase in deposits | 545 433 | 670 451 |
| **NET (DECREASE) INCREASE IN CASH AND EQUIVALENTS** | ( 649 849) | 840 648 |
| Cash and cash equivalents, beginning | 3 123 142 | 054 204 |
| **CASH AND CASH EQUIVALENTS, ENDING** | 2 473 293 | 2 894 852 |

**RECONCILIATION OF NET INCOME TO CASH PROVIDED BY OPERATIONS**

| | | |
|---|---|---|
| Cash paid (refunded) during the quarter for: | | |
| Interest | 182 668 | 206 483 |
| Income taxes | ( 567) | ( 14 000) |

The accompanying notes are an integral part of the financial statements.

BELLBROOK BANCORP, INC. AND SUBSIDIARY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

## NOTE 1 - CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The condensed consolidated balance sheet as of March 31, 1992, the consolidated statement of income and the consolidated statement of cash flows for the quarters ended March 31, '992 and March 31, 1991 have been prepared by the Corporation, without audit. In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position at March 31, 1992, and the results of operations and changes in cash flows for all periods presented, have been made.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting have been omitted. It is suggested that these condensed consolidated financial statements be read in conjunction with the Corporation's audited financial statements and accompanying notes dated December 31, 1991. The results of operations for the period ended March 31, 1992 are not necessarily indicative of the operating results of the full year.

Presentation for the quarter ending March 31, 1992 classifies interest bearing deposits in other banks (certificates of deposit) with remaining maturities in excess of three months as investment securities in accordance with Financial Accounting Standard Number 95. In the first quarter of 1991, these securities were classified as cash and cash equivalents. Accordingly, financial information for the quarter ending March 31, 1991 has been restated to reduce reported cash and cash equivalents and increase investment securities by $99,000 at March 31, 1991.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### Results of Operations

Interest income has increased 2.0% from the comparable quarter in 1991. Interest expense has decreased 8.9% for the same comparable period. The increase in net interest margin is primarily the result of lower interest rates. The net interest margin is being addressed by market sensitive adjustments to costs of funds and continuing emphasis on quality loans and investments.

Operating expenses have increased by 9.3% compared to the first quarter of 1991. Much of the increase results from higher costs of FDIC insurance, employee salaries and benefits and general office supplies and expense. Management has taken measures to control the growth of expenses and increase fee income.

### Liquidity and Capital Resources

The first quarter of 1992 shows a $649,849 decrease in cash and cash equivalents. Liquidity position remains strong with cash and cash equivalents and investment securities representing 50.8% of total assets at March 31, 1992. The Corporation's liquidity is considered adequate to meet all current and projected needs.

The primary capital ratio was 7.7% at March 31, 1992. The capital ratios, computed on the basis of FDIC risk-based capital guidelines are 9.3% for Tier 1 capital and 10.2% for total risk-based capital at March 31, 1992. These FDIC risk-based capital ratios are well above the 1992 minimum required levels of 4.0% and 8.0%, respectively. Management intends to maintain its capital ratio relative to its total asset size and composition (risk) and will monitor growth, dividend pa out and profitability accordingly.

The bank is not aware of any current regulatory recommendations which, if implemented, would have a material effect on the bank's liquidity, capital or operations. Management believes the current balance in the allowance for loan losses is adequate in light of known collection problems and historic loss experience.

## PART II. OTHER INFORMATION

**Item 6. Exhibits and Reports on Form 8-K**

(a) Exhibits - None
(b) Reports on Form 8-K - There were no reports on Form 8-K filed for the quarter ended March 31, 1992.

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunder duly authorized.

BELLBROOK BANCORP, INC.
(Registrant)

By _____
John M. Gloyd
President and Chief Executive Officer

Date: May 1, 1992